



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Financial Audit

**Arizona Criminal Justice
Commission**

Drug and Gang Enforcement
Account Distributions
June 30, 2002



Debra K. Davenport
Auditor General

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Arizona Criminal Justice Commission
Report on Audit of Summary of
Drug and Gang Enforcement Account Distributions
June 30, 2002

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Honorable Janet Napolitano, Governor

The Arizona Criminal Justice Commission

We have audited the accompanying Summary of Drug and Gang Enforcement Account Distributions for the year ended June 30, 2002, and from inception to June 30, 2002, pursuant to Arizona Revised Statutes §41-2402. This Summary is the responsibility of the Arizona Criminal Justice Commission's management. Our responsibility is to express an opinion on this Summary based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Summary is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Summary. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall summary presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Summary of Drug and Gang Enforcement Account Distributions was prepared for the purpose of complying with Arizona Revised Statutes §41-2402, as discussed in Note 1, and is not intended to be a presentation in conformity with generally accepted accounting principles.

In our opinion, the accompanying Summary of Drug and Gang Enforcement Account Distributions presents fairly, in all material respects, the Commission's distributions for the year ended June 30, 2002, and from inception to June 30, 2002, of Drug and Gang Enforcement Account monies by type of activity specified by Arizona Revised Statutes §41-2402.

This report is intended solely for the information and use of the addressees and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Dennis L. Mattheisen, CPA
Financial Audit Director

April 10, 2003

Arizona Criminal Justice Commission
 Summary of Drug and Gang Enforcement Account Distributions
 Year Ended June 30, 2002, and from Inception to June 30, 2002

| Type of Activity | <u>Distributions for Year Ended June 30, 2002</u> | | | |
|--|---|--------------------|-------------------|---------------------|
| | Federal | Nonfederal | Reversions | Total |
| Investigation | \$3,325,013 | \$1,559,457 | \$ (1,652) | \$ 4,882,818 |
| Prosecution: | | | | |
| State and county prosecution | 2,962,760 | 1,435,191 | | 4,397,951 |
| City and town prosecution | 303,046 | 116,933 | | 419,979 |
| Adjudication | | 2,738,032 | (30,713) | 2,707,319 |
| Detention | 58,808 | 386,533 | | 445,341 |
| Drug abuse education | 1,543 | 2,660 | | 4,203 |
| Forensics | | 561,525 | | 561,525 |
| Arizona Drug and Gang Prevention Resource Center | | 263,300 | | 263,300 |
| Criminal Justice Records Improvement Program | <u>389,308</u> | <u>199,446</u> | <u>(2,110)</u> | <u>586,644</u> |
| Total distributions for year ended June 30, 2002 | <u>\$7,040,478</u> | <u>\$7,263,077</u> | <u>\$(34,475)</u> | <u>\$14,269,080</u> |

| Type of Activity | <u>Distributions from Inception in August 1987 to June 30, 2002</u> | | | |
|--|---|---------------------|----------------------|----------------------|
| | Federal | Nonfederal | Reversions | Total |
| Investigation | \$38,088,419 | \$16,752,987 | \$(1,463,450) | \$ 53,377,956 |
| Prosecution: | | | | |
| State and county prosecution | 33,720,192 | 15,811,362 | (522,071) | 49,009,483 |
| City and town prosecution | 3,050,083 | 1,494,755 | (208,706) | 4,336,132 |
| Adjudication | 3,748,748 | 27,582,366 | (1,122,232) | 30,208,882 |
| Detention | 1,359,195 | 4,895,343 | (64,605) | 6,189,933 |
| Drug abuse education | 1,183,862 | 190,123 | (44,764) | 1,329,221 |
| Forensics | 1,641,917 | 5,457,164 | (39,277) | 7,059,804 |
| Arizona Drug and Gang Prevention Resource Center, as adjusted | | 2,267,800 | | 2,267,800 |
| Criminal Justice Records Improvement Program | 4,256,563 | 1,412,159 | (121,645) | 5,547,077 |
| State matching for Byrne Formula Grant Program (formerly entitled Drug Control and System Improvement—Formula Grant) | <u>(2,894,192)</u> | <u>2,894,192</u> | | |
| Total distributions from inception to June 30, 2002 | <u>\$84,154,787</u> | <u>\$78,758,251</u> | <u>\$(3,586,750)</u> | <u>\$159,326,288</u> |

See accompanying notes to summary.

Arizona Criminal Justice Commission
Notes to Summary of Drug and Gang Enforcement Account Distributions
Year Ended June 30, 2002, and from Inception to June 30, 2002

- Note 1 - Arizona Revised Statutes (A.R.S.) §41-2402(A) established the Drug and Gang Enforcement Account (Account) within the Criminal Justice Enhancement Fund to be used for the purpose of enhancing efforts to deter, investigate, prosecute, adjudicate, and punish drug offenders and members of criminal street gangs. To fund this effort, A.R.S. §41-2402(B) and (C) require the Arizona Criminal Justice Commission (Commission) to distribute monies from the Account within prescribed limits, based on a plan of expenditures submitted to the Joint Legislative Budget Committee. Further, A.R.S. §41-2402(F) requires that any federal monies or state matching monies in the Account be allocated by the Commission pursuant to a plan approved by the federal government, notwithstanding the limitations prescribed in subsection B of the statute. The Summary of Drug and Gang Enforcement Account Distributions presents the results of such funding by type of activity specified by A.R.S §41-2402 for the year ended June 30, 2002, and since the Account's inception in August 1987 to June 30, 2002.
- Note 2 - The proceedings of the Commission's open meeting, dated May 17, 2001, and submitted to the Joint Legislative Budget Committee established the proposed distribution by activity (i.e., investigation, prosecution, adjudication, detention, etc.) for the Account.
- Note 3 - Nonfederal distributions for the Arizona Drug and Gang Prevention Resource Center were made from state appropriations of the fees collected pursuant to A.R.S. §12-284(E). For all other activities, nonfederal distributions were made from fines and forfeits collected pursuant to A.R.S. §13-811(C) and the federally mandated matching contributions to the program made by the subrecipients.
- Note 4 - Reversions consist of adjustments resulting from subrecipient-monitoring reviews performed by the Commission. These reversions are deposited into the Account for redistribution in the following year.
- Note 5 - 42 United States Code §3759(a) requires each state receiving federal Byrne Formula Grant Program monies to allocate at least 5 percent of its total grant award for the improvement of criminal justice records. Such distributions were made from federal and subrecipient matching Byrne Formula Grant Program monies to the Criminal Justice Records Improvement Program.
- Note 6 - Total inception to June 30, 2002, federal distributions for the Criminal Justice Records Improvement Program were increased by \$23,103. The adjustment represents the fiscal year 1999-2000 and 2000-2001 reversion amounts that were also deducted from distributions in the Account. In addition, total inception to June 30, 2002, nonfederal distributions for prosecution (state and county) and detention purposes were increased by \$78,414 and \$6,106, respectively. These adjustments represent the fiscal year 2000-2001 disbursements that were not included as distributions from the Account.